

NEW MEXICO *True*

Tourism is Driving Job Growth in New Mexico

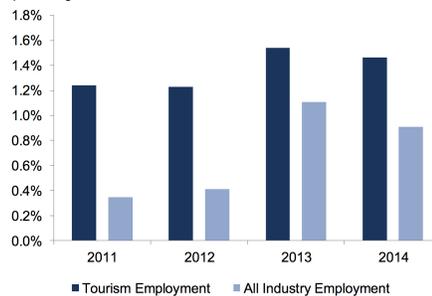
Employment supported by visitor spending increased to nearly 89,000, or 8.2% of all New Mexico jobs, in 2014

- 1-in-12 jobs are supported by visitor spending
- Up from 85,766 in 2011
- 4.2% increase in direct employment supported by visitor spending since 2011
- \$2.3B in associated income, an increase of 9.1% since 2011

Tourism is driving job growth in the state

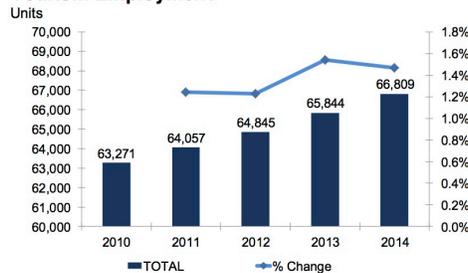
- Direct tourism employment growth has led employment recovery in New Mexico.
- Direct tourism employment growth has averaged more than half a percentage point higher than overall employment growth since 2011.
- Tourism has generated 11% of all new jobs in New Mexico between 2011 and 2014.

Employment Growth Comparison
pct change



Tourism employment trends

Tourism Employment



Source: Tourism Economics

Direct Tourism Employment					
Sector	2010	2011	2012	2013	2014
TOTAL	63,271	64,057	64,845	65,844	66,809
% Change		1.2%	1.2%	1.5%	1.5%

Tourism employment by industry

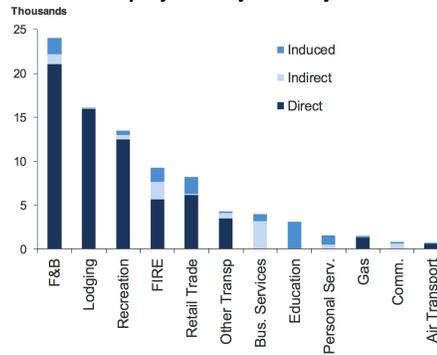
Tourism Employment				
	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	41	41	83
Construction and Utilities	-	431	135	566
Manufacturing	-	138	61	198
Wholesale Trade	-	215	341	556
Air Transport	643	9	15	668
Other Transport	3,509	566	200	4,275
Retail Trade	6,179	88	1,926	8,194
Gasoline Stations	1,310	10	143	1,463
Communications	-	603	196	798
Finance, Insurance and Real Estate	5,633	2,013	1,626	9,273
Business Services	-	3,151	847	3,998
Education and Health Care	-	49	3,028	3,077
Recreation and Entertainment	12,486	497	511	13,494
Lodging	15,993	24	14	16,031
Food & Beverage	21,054	1,140	1,894	24,088
Personal Services	-	514	1,009	1,523
Government	-	473	180	653
TOTAL	66,809	9,962	12,167	88,938
Growth since 2011	4.3%	1.1%	2.6%	3.7%

- 8.2% (1-in-12 jobs) of total wage and salary employment in NM is sustained by tourism

Tourism employment

- As a labor intensive collection of services, tourism-related sectors represent significant employment to the state of New Mexico.
- The nearly 89,000 jobs sustained by visits to New Mexico span every sector of the economy, either directly or via indirect or induced impacts.

Tourism Employment by Industry



F&B: Food and Beverage
 FIRE: Finance, Insurance, Real Estate
 Bus. Services: Business Services
 Gas: Gasoline Stations
 Other Transp.: Other Transportation
 Personal Serv.: Personal Services
 Wholesale Tr.: Wholesale Trade
 Gov.: Government

Tourism Jobs Aren't the Only Things on the Rise

Direct visitor spending increased to \$6.1B in 2014 (up from \$5.5B in 2011)

Tourism in New Mexico generated \$609M in state and local taxes in 2014, offsetting the average household tax burden by \$810.

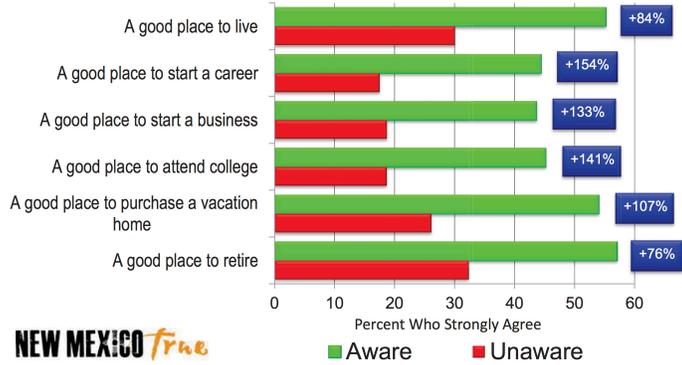
- 5th consecutive year that visitor spending has increased
- Leisure trips are leading the growth in New Mexico's visitor economy
 - 86% of New Mexico trips are in leisure category
- 89% of visitor spending is from the domestic market (outside of NM)

New Mexico True and Visitation Change Perceptions of New Mexico

Impact of New Mexico 2014 Tourism Campaign on State's Economic Development Image



Base: Out-of-State Residents



Impact of *Visitation* on New Mexico Economic Development Image



Base: Out-of-State Residents



Therefore, investments made in New Mexico True advertising are also investments made to attract students, businesses, retirees, sell homes and grow the population of New Mexico.

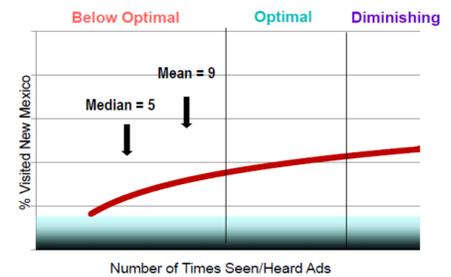
To grow tourism jobs in New Mexico, we need to continue to grow visitation and visitor spend.

Our plan:

Put simply, to continue to grow tourism in New Mexico we need to expand our advertising efforts and put a focus on products that deliver a unique and positive guest experience. Research shows that New Mexico True has not yet reached optimal frequency in any of our target markets. This means that every additional dollar we spend on New Mexico True advertising will result in more trips to New Mexico.

Impact of Ad Frequency on Visits to New Mexico

Base: 5 markets aggregated

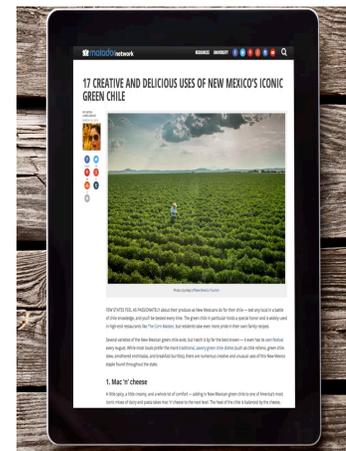
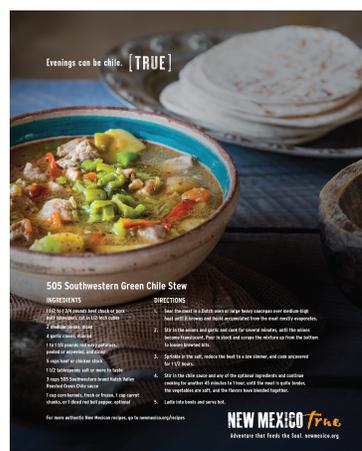
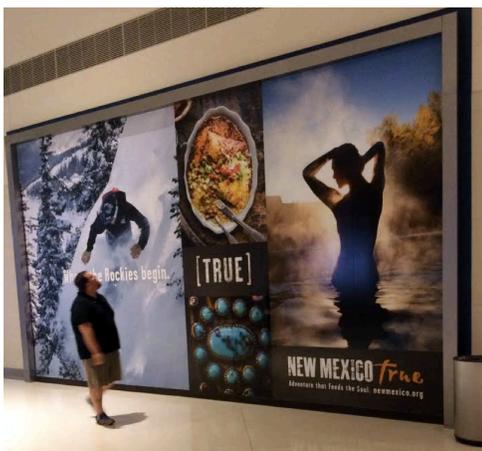


The Tourism Department is respectfully requesting an additional **\$4.7M in FY17** to bolster our presence in existing markets, add the prioritized market of San Francisco, expand the cooperative marketing program, and establish recurring funding for the event sponsorship program.

Why San Francisco?

The San Francisco media market (which includes San Jose, Oakland and the Silicon Valley) has been prioritized for a number of reasons: strong presence of “Venturesome Travelers” (interested in what we have to offer), number of direct flights, overall economic climate, and media costs.

Additionally, with the “Halo Effect” of New Mexico True advertising this market could prove to be a smart addition in New Mexico’s pursuit of companies looking to relocate or expand.



NEW MEXICO True